

Message Text

UNCLASSIFIED

PAGE 01 KUWAIT 05406 180855Z

12

ACTION XMB-04

INFO OCT-01 EA-10 NEA-10 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 OPIC-06

SP-02 CIEP-02 OMB-01 /057 W

----- 096996

P R 180805Z DEC 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC PRIORITY 1772

INFO AMEMBASSY JAKARTA

UNCLAS KUWAIT 5406

DEPT PASS EXIMBANK FOR CASEY

E.O. 11652: N/A

TAGS: EINV KU ID

SUBJECT: INDONESIAN NICKEL PROJECT

REF: (A) KUWAIT 5366 (B) STATE 269719

1. DURING BRIEF ENCOUNTER WITH GOK DIRECTOR OF INVESTMENTS KHALED ABU SU'UD DECEMBER 17, EMBOFF HAD OPPORTUNITY OUTLINE PROPOSAL SENT BY CHAIRMAN CASEY, AND TO INDICATE TO ABU SU'UD THAT EXIM HOPED TO FOLLOW WITH OTHER PROPOSALS. EMBOFF ADDED LOCAL FNSB LIAISON OFFICER WEST PREPARED SHOW ABU SU'UD PLACING MEMORANDUM AND BRIEF HIM FULLY ON PROJECT.

2. ALTHOUGH ABU SU'UD AGREED TO MEET EARLY NEXT WEEK WITH EMBOFF TO DISCUSS MATTER FURTHER, HE SEEMED PUT-OFF SOME WHAT BY FACT THAT LOAN WAS BEING SOUGHT RATHER THAN OPPORTUNITY FOR GOK TO TAKE EQUITY POSITION. MOREOVER, HE WAS ESPECIALLY INTERESTED TO KNOW WHAT EXIM INVOLVEMENT WOULD BE. IN THIS REGARG HE MORE INTERESTED IN EXIM ANALYSIS THAN THAT OF FNCB.

3. EMBOFF SAID EXIM WOULD BE PARTICIPATING IN FINANCING OF PROJECT, AND THIS WELL RECEIVED BY ABU SU'UD. HE ASKED WHETHER SOME FORM UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KUWAIT 05406 180855Z

OF EQUITY OR CONVERTIBLE POSITION COULD BE TAKEN BY GOK SHOULD

IT DECIDE PARTICIPATE IN INDONESIAN NICKEL PROJECT.

4. COMMENT: WE AGREE THERE MUCH IN PROPOSED PROJECT THAT MAKES IT ATTRACTIVE. HOWEVER, ABU SU'UD'S REACTION CONSISTENT WITH OFT-STATED PREFERENCE OF GOK TO TAKE EQUITY POSITION IN PROJECTS. ABU SU'UD SAID GOK BESIEGED WITH PLETHORA LOAN PROPOSALS. IN THIS AREA ASSISTANCE USG NOT NEEDED. HE SUGGESTED CONVERTIBLE DEBENTURES AS POSSIBLE COMPROMISE. MOREOVER, HE FEELS GOK CAN GO DIRECTLY TO FNCB WHENEVER IT WISHES. ABU SU'UD WANTS OPINION AND IF POSSIBLE INDEPENDENT ANALYSIS OF USG AGENCY, IN THIS CASE EXIM.

5. ACTION REQUESTED; AS INDICATED REFTEL A WE SHALL BE DISCUSSING INDONESIAN NICKEL PROJECT MORE FORMALLY WITH APPROPRIATE GOK OFFICIALS SOON. BEFORE AMBASSADOR TAKES PROPOSAL TO MINISTERIAL LEVEL, HOWEVER, WE WOULD LIKE TO HAVE IN HAND EXIM'S OWN ASSESSMENT. PERHAPS THIS LITTLE MORE THAN IN-HOUSE MEMO EXPRESSING AGREEMENT WITH FNCB'S OWN STUDY, IF RELATIVELY SHORT, COULD BE COMMUNICATED TO US BY CABLE. ALSO, WOULD BE HELPFUL IF WE COULD INDICATE WHETHER THERE ANY POSSIBILITY OF GOK TAKING EQUITY POSITION OR WHETHER SOME FORM OF CONVERTIBLE DEBENTURE AVAILABLE.
STOLTZFUS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NICKEL, JOINT VENTURES, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KUWAIT05406
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740367-1069
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741226/aaaaawdd.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 74 KUWAIT 5366, 74 STATE 269719
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 02 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 OCT 2002 by ReddocGW>; APPROVED <08 JAN 2003 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDONESIAN NICKEL PROJECT
TAGS: EINV, KU, ID, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005